



Irish Life Weekly Investment Bulletin

The week that was – WEEK 23 2018 (ending 08/06/2018)

“An open mind leaves a chance for someone to drop a worthwhile thought in it.” – Mark Twain

Irish annual inflation rate pushes back into positive territory in May – The Central Statistics Office (CSO) reported that the annual inflation rate came in at 0.4% in May as against -0.4% in April and 0.2% in March - largest increases in Housing, Water, Electricity, Gas/Other Fuels (+5.5%) and Restaurants/Hotels (+2.4%).

Irish unemployment rate in May reduces to 5.8% – Latest figures published by the CSO show the seasonally adjusted unemployment rate for May 2018 was 5.8% (5.5% for females, 6.1% for males and 11.9% for youth), down from 5.9% in April 2018, down from 6.6% in May 2017 and down from 8.9% in May 2016.

Global stock market up 1.2% on the week – The MSCI AC World TR Index showed a 1.17% return from 1st June to 8th June, as China delivered conflicting signals on the trade row with the U.S. and the Nasdaq Index hit a new high during the week. The Volatility Index (Vix) closed the week lower at 12.18, down from 13.46.

New Italian PM says no intention of leaving euro – In his first policy address, the new Premier Giuseppe Conte stressed that Italy had no plans to leave the euro saying the euro currency is "not up for discussion" but he said Italy would renegotiate its fiscal regulations and also denounced Europe's "failed" immigration policy.

ECB set to finally discuss the end of QE bond-buying program – European Central Bank chief economist Peter Praet confirmed during the week that this week's Governing Council meeting in Riga, Latvia will be pivotal for reaching a decision on when to end its €30 billion monthly-purchase bond-buying program.

Japanese economy in Q1 shows first fall in nine Quarters – An unexpected decline in household consumption seemed to be the main catalyst for the Cabinet Office reporting that annualised Quarter 1 revised gross domestic product (GDP) fell 0.6% after having previously shown eight consecutive quarters of growth.

The Story of the week: Bundles of decaying WW2 bank notes thought to be stashed away in case of Nazi invasion have been discovered under the floorboards of an old clothes store in Brighton. Shopfitters found the cash on the site of what was once Bradley Gowns - now a Cotswold Outdoor store. The hoard of £1 and £5 notes added up to about £30,000, which is the equivalent of more than £1m today. The Bradley Gowns - which had a flagship store in Chepstow Place, London - had a number of famous clientele, including the royal family and Winston Churchill.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 08/06)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	3.1
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	2.3
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	2.1
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	0.4
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	4.8
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	10.8
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-0.3
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	0.7
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-1.1
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	3.0
German	1.9	0.5	0.6	0.2	0.4	0.4
UK	3.0	1.9	1.9	1.2	1.2	1.4
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	3.1
Greece	8.2	9.6	7.9	7.1	4.1	4.6
Portugal	6.1	2.7	2.5	3.8	1.9	2.0
Spain	4.1	1.6	1.7	1.4	1.6	1.4
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.75
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.18
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.34
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.2	12.3	36.1	25.1	12.6	8.1%
U.K.	2.7	10.7	17.8	13.1	3.6	10.3%
U.S.	5.3	11.4	11.2	12.1	7.8	7.1%

*Past performance is not a reliable guide to future performance